



4310-FB

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[LLNM921200 L1320000.EL0000 17X]

**Extension of the Category 5 Royalty Rate Reduction Qualification for Oklahoma
Federal Coal Within a Designated Area of Nine Oklahoma Counties (OKNM 96155)**

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice.

SUMMARY: This Notice announces that Federal coal lands located within the nine Oklahoma Counties of Atoka, Coal, Haskell, Latimer, LeFlore, McIntosh, Muskogee, Pittsburgh, and Sequoyah continue to qualify as a Category 5 royalty rate reduction area (Area) as set forth in the Bureau of Land Management (BLM) Royalty Rate Reduction Guidelines and BLM Manual 3485, Reports, Royalties, and Records. Analysis by the BLM New Mexico State Office indicates that there have been no significant changes in the coal market for the Area during the last five years. Therefore, the BLM State Director for the New Mexico State Office has decided to extend the qualification of the area for Category 5 royalty rate reductions until December 17, 2019.

DATES: The qualification of the designated area for Category 5 royalty rate reductions is extended until December 17, 2019.

ADDRESSES: New Mexico State Office, Bureau of Land Management, P.O. Box 27115, Santa Fe, NM 87502.

FOR FURTHER INFORMATION CONTACT: Ida Viarreal, 505-954-2163, iviarrea@blm.gov. Persons who use a telecommunications device for the deaf (TDD) may call the Federal Relay Service (FRS) at 1-800-877-8229 to contact the above individual during normal business hours. The FRS is available 24 hours a day, 7 days a week, to leave a message or question with the above individual. You will receive a reply during normal business hours.

SUPPLEMENTARY INFORMATION: The New Mexico State Office first designated these same nine counties in Oklahoma as a Category 5 area effective December 17, 1990, (56 FR 27771). A Category 5 area may be established only if all of the following criteria are affirmed to exist:

1. The Federal coal resources are not the dominant coal resources available for mining in the area;
2. The royalty rate for Federal coal leases (43 CFR 3473.3-2(a)) is greater than the royalty rate for comparable non-Federal coal in the area;
3. The Federal coal resources in the area would be bypassed or remain undeveloped in favor of development of non-Federal coal resources due to the difference in royalty rate;
4. The above conditions exist throughout the area; and
5. A royalty rate reduction under this category is not likely to result in undue competitive advantages over neighboring coal producing areas.

The BLM has concluded that the nine-county Oklahoma Area continues to meet all of these criteria. The royalty rates for Federal coal in the Area shall continue to be: 2 percent for Federal coal mined by underground mining methods and 4 percent for Federal coal mined by surface mining methods, rather than the full Federal rates of 8 percent and 12.5 percent, respectively. This extension of rate reduction helps to support the Area's continued economic viability and encourages the greatest ultimate recovery of the Federal coal resources. These royalty rates are only granted if the Federal coal lessee applies to the BLM in writing for a Category 5 royalty rate reduction and the BLM approves the application.

AUTHORITY: 43 CFR 3473.3-2(e) and 43 CFR 3485.2(c).

Amy Lueders

State Director, New Mexico

[FR Doc. 2017-13630 Filed: 6/28/2017 8:45 am; Publication Date: 6/29/2017]